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October 11, 2006

Via Messenger Delivery

Mary L. Fulghum, Esquire
Associate Regional Counsel
United States Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

EPA Region 5 Records Ctr.



361301

**Re: Mandarin Oriental Site
130 East Lake Street
Chicago, Illinois 60601**

Dear Mary:

As you are aware, I am representing Palladian Development ("Palladian") regarding its proposed development of the Mandarin Oriental Hotel to be located at the northwest corner of Stetson and East Lake Street in Chicago, Illinois (the "Site").

Recently, Palladian granted USEPA access to the Site and granted USEPA permission to perform a radiological survey at the Site. USEPA has completed its radiological walkover survey on September 28 and 29, 2006, finding no evidence or readings indicative of thorium-impacted material at the Site. The results of the USEPA's Site survey is consistent with the readings taken on those dates by Steve Kornder of STS Consultants ("STS") on behalf of Palladian. STS did not detect any evidence of or readings consistent with thorium-impacted material at the Site.

In addition, Palladian commissioned RSSI to conduct Surface and Subsurface radiological surveys of the Site in January, 2005. Those surface surveys and subsurface soil sampling, also did not reveal any evidence of thorium-impacted materials at the Site. A copy of the RSSI report was previously forwarded to you on July 24, 2006.

Based upon: a) the multiple surface surveys conducted showing no evidence of radiological impacts; b) the down hole subsurface sampling results showing no evidence of radiological impacts; and c) a historical review of the Site that demonstrates no potential connection with, or disposal of, thorium-related Lindsay Light manufacturing materials or other

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Mary L. Fulghum, Esquire

October 11, 2006

Page 2

thorium-related materials at the Site, Palladian requests that there not be any further requirement for radiological monitoring or sampling during planned excavation at the Site. In support of this request, Palladian provides the following information:

1. Surface and Subsurface Sampling in 2005.

In January 2005, RSSI performed a Surface and Subsurface survey at the Site. RSSI's report was previously provided to you on July 24, 2006. The report includes a surface walk over survey and six downhole borings with downhole radiation level measurements and soil sample gamma spectroscopy results. All results in the RSSI report demonstrate no evidence of concentrations of radioactivity above normal background levels nor in excess of EPA's action level of 7.1 PCi/g.

2. USEPA and STS Surface Surveys in 2006.

The USEPA and STS recent surface surveys, conducted September 28 and 29, 2006, have demonstrated no elevated radiological readings associated with thorium-impacted materials at the Site.

3. Historic Sanborn Map Review.

Palladian has undertaken a review of available historic Sanborn maps dated 1906, 1927, 1950, 1974, 1988, 1990 and 1994. I have enclosed copies of these Sanborn's for your review (Exhibit A). A review of these historic Sanborn's demonstrates that the Site was not altered, and could not have received fill material, during the time period that the Lindsay Light facility at 316 East Illinois was in operation.

We will assume that Lindsay Light operation occurred from 1906 until 1935. The storage and/or manufacturing operations of Lindsay at 316 East Illinois did not begin until September 1914, the date which Lindsay first leased 316 East Illinois Street for its use. A review of the 1906 Sanborn shows the Site overlain by multiple Illinois and Michigan Central railroad tracks. East Lake Street dead ends into Beaubien Court. The 1927 and, more importantly, the 1950 Sanborn shows a virtually identical site layout as that which existed in 1906. In 1950, multiple railroad tracks cross the Site in an identical pattern as existed in 1906, and East Lake Street dead ends into Beaubien Court. The various warehouses and railroad tracks identified at the Site in 1906 still exist in 1950. This comparison demonstrates that the Site was operating as a railroad yard during the entire time the Lindsay Light operation was in existence. The Sanborn's show that during this time period, the Site was not altered nor was there any fill material added. The 1974 Sanborn shows the Site as a parking lot, with East Lake Street extended eastward through Stetson Avenue to Columbus Drive. The Prudential Building and the Standard Oil Building are present in the 1974 Sanborn. Thus, it appears that sometime between 1950 and 1974, the railroad tracks were removed and the Site was used for parking. However, at

Mary L. Fulghum, Esquire
October 11, 2006
Page 3

no time during the relevant Lindsay Light operational years (1905-1935) was there any alteration of, or fill material added to, the Site.

4. Historic Boat Slips.

Several boat slips were located on the south side of the Chicago River near the river mouth around the turn of the century and reflected in the 1906 Sanborn. The 1927 Sanborn reflects that these slips no longer exist, suggesting that the slips were filled in between 1906 and 1927. In order to determine whether any of these historic slips intersect the Site, Palladian commissioned a survey by International Engineering Consultants, Inc. dated February 2005, which shows the relationship of the Site to the historic boat slips and other historic structures at the Illinois Central Railroad property. A copy of that survey is enclosed for your review (Exhibit B). As reflected in the survey, Slip "A" (the closet slip to the Site) did not intersect with the Site. Therefore, there is no concern that Lindsay Light related fill material may have been deposited as fill into a boat slip formerly located on the Site.

5. Freight Tunnels.

USEPA has expressed concern regarding the connection of this Site to the former Chicago Freight Tunnel system that operated from approximately 1908 until 1957. We have undertaken a review of historic Chicago Tunnel Company maps and determined that the freight tunnel system and the Site did not intersect. In addition, we have enclosed a current survey of the Site which would reflect the present existence of any freight tunnels beneath or near the Site (Exhibit C). The survey does not reflect the existence of any freight tunnels intersecting the Site. Therefore, USEPA's concern regarding the potential connection of this Site to the Lindsay Light site via the freight tunnel system is unfounded. Even if there was a freight tunnel that historically ran underneath the Site, there is no evidence that there was any access point to the freight tunnel at the Site location, nor any evidence that fill material was added to this site at any time via the freight tunnels or by any other means.

6. Former Mantle Manufacturing Facility.

USEPA indicated that it had information regarding Liberty Mantle, a former mantle manufacturing company, potentially located at 82 East Lake Street, Chicago, Illinois. This information was, apparently, taken from an internet blog of the International Guild of Lamp Researchers posted in February 2002. No other information regarding this company could be found, including a possible date(s) for the existence or location(s) of this company. Even if there was such a company at some time at this address, it appears that it was not located at the current Site.

First, as reflected on the Sanborn's, East Lake Street was not extended east past Beaubien Court until some time after 1950. Therefore, prior to 1950, there could not have existed any

Mary L. Fulghum, Esquire
October 11, 2006
Page 4

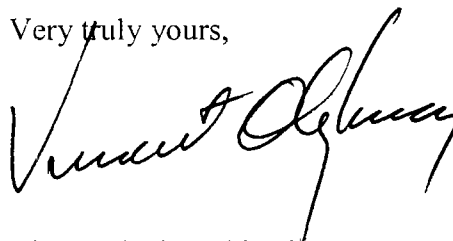
company or store or establishment selling gas light mantles, or anything else, at the Site location. Moreover, the current address of 82 East Lake Street is located west of Michigan Avenue. We are aware that in the 1909-1911 time period the city streets of Chicago were renumbered. However, the attached renumbering pages for the Chicago Loop issued 1911 do not show an "old" address of 82 East Lake Street (Exhibit D). The "new" addresses for East Lake Street in 1911 terminate at 89 East Lake which, at that time and the present, is the current Michigan Avenue. Thus, there were no establishments with addresses east of Michigan Avenue in 1911 and at least until after 1950. Therefore, there is no evidence that any mantle manufacturing company, or any company or store whatsoever, had an address or location at this Site prior to at least 1950, substantially later than the time period in which gas light mantles were manufactured and sold to the public.

Conclusion

There is no evidence that suggests any possibility of thorium-impacted material being deposited or located at the Site. Instead, all of the evidence indicates that there is no possibility of thorium-impacted material at the Site. Therefore, Palladian hereby requests that it be allowed to proceed with Site excavation without monitoring or sampling for thorium-related material at the Site. This request is made in light of all of the evidence that demonstrates no such monitoring is warranted. Palladian wishes to begin excavation for preliminary site development, including the relocation of a water line, within the next 30 days. Therefore, Palladian requests USEPA's notify Palladian of its decision as soon as possible.

Of course, if there are any questions or requests for further information, please do not hesitate to give me a call.

Very truly yours,



Vincent S. Oleszkiewicz

VSO/rlc
Enclosures

cc: Mr. Peter Connolly, Palladian Development (w/o enclosures)
Mr. Richard Delaney, Palladian Development (w/o enclosures)